

# VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY

Washington Building, 8<sup>th</sup> Floor  
1100 Bank Street  
Richmond, Virginia 23219-3638  
(804) 692-3200 FAX (804) 692-3237  
<https://www.vaoffshorewind.org/authority/>

October 1, 2018

Mr. Joel H. Peck  
Clerk, Document Control Center  
State Corporation Commission  
1300 E. Main Street, Tyler Building, 1st Floor  
Richmond, Virginia 23219

SCC-CLERK'S OFFICE  
DOCUMENT CONTROL CENTER

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RE: State Corporation Commission *Ex Parte*: Petition for a prudency determination with respect to the Coastal Virginia Offshore Wind Project, Case No. PUR-2018-00121

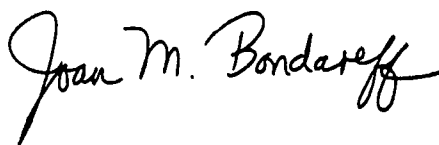
Dear Mr. Peck:

On behalf of the Virginia Offshore Wind Development Authority (VOWDA), I am writing to share comments (attached) in regards to the Commission's August 8, 2018, Scheduling Order on the petition for a prudency determination with respect to the Coastal Virginia Offshore Wind Project (Case No. PUR-2018-00121). I will offer comments at the SCC hearing on October 9.

VOWDA was created by the General Assembly in 2010 legislation (Title 67, Chapter 12, Code of Virginia) with the mission to facilitate, coordinate, and support development of the offshore wind energy industry, offshore wind energy projects, and supply chain vendors by collecting metocean and environmental data; identifying regulatory and administrative barriers; working with local, state, and federal government agencies to upgrade port and logistic facilities and sites; ensuring development is compatible with other ocean uses and avian/marine wildlife; and recommending ways to encourage and expedite offshore wind industry development.

Please contact Al Christopher at the Department of Mines, Minerals and Energy ([al.christopher@dmme.virginia.gov](mailto:al.christopher@dmme.virginia.gov) 804-692-3216) should you have any questions. Thank you for your time and consideration on this important matter.

Sincerely,



Joan M. Bondareff  
Chair

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October 1, 2018

Mr. Joel Peck, Clerk  
Virginia State Corporation Commission  
P.O. Box 1197  
Richmond, Virginia 23218

Subject: Case Number PUR-2018-00121

Dear Mr. Peck:

The Virginia Offshore Wind Development Authority (VOWDA) respectfully requests the State Corporation Commission (SCC) approve Dominion Energy's Coastal Virginia Offshore Wind (CVOW) project. The project is deemed to be in the public interest under current Virginia law; is a prudent investment of ratepayer funds; will help achieve Virginia's energy policy goals as laid out in Virginia statute including increased fuel diversity and energy independence; and can be a conduit to cost-competitive future offshore wind generation.

VOWDA is an Authority established under Virginia statute with gubernatorial appointments for the purposes of facilitating, coordinating, and supporting the development of the offshore wind energy industry, offshore wind energy projects, and related supply chain opportunities. The legislation that created VOWDA in 2010 also tasked the Authority to support Virginia offshore wind job creation in cooperation with relevant local, state, and federal agencies.

Harnessing the offshore wind resource is a win-win for Virginia and allows the Commonwealth to be part of the green revolution across the nation. As more offshore wind areas are developed in the United States, costs, which have declined dramatically over the past decade in Europe, will continue to come down significantly and have come down in other states in the U.S., e.g., Massachusetts and Rhode Island. CVOW can contribute to these cost declines through learning and efficiencies gained during project deployment with the assistance of its contractor Ørsted, a major European wind developer. Virginia's unique port and workforce assets provide a tremendous opportunity for the Commonwealth to establish itself as a leader in offshore wind power development by capitalizing on the opportunity to grow a new industry.

Timely completion of Dominion's two-turbine, 12-megawatt (MW) project is an important first step to develop this new generation resource on a commercial scale. These first

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two turbines will also serve as an important signal that Virginia is a participant in an emerging U.S. industry that promises new, well-paying long-term jobs. This project should be viewed as a prudent and necessary stepping stone to full commercial development. The project already has made numerous scientific contributions to help lower cost and risk industry wide. Dominion has partnered with the Denmark-based developer Ørsted, the world leader in offshore wind development, to further reduce the costs of CVOW. In addition, rigorous environmental protocols are in place, and oversight by federal, state and third party regulators and observers will ensure that the CVOW project will be respectful of archaeological resources, fishery resources, marine mammals and other species and their habitats as well as protecting the interests of shipping and defense from our large base in Norfolk.

This project should be viewed as prudent research, development and demonstration that will benefit ratepayers in the long-term. CVOW will also ensure that Virginia is prepared to utilize offshore wind as a commercial-scale resource as costs come down even further. This reduction in costs already has begun to occur in the United States<sup>1</sup>, which has the advantages of cost reduction lessons learned from European experience, technology advancements, development of a robust local supply chain, and from capturing benefits of economy of scale as the market develops.

The Virginia General Assembly has made it clear on more than one occasion that it finds research and commercial development of offshore wind energy to be in the public interest. The latest examples come from 2018 legislation, SB 966, which states that “[c]onstruction, purchasing, or leasing activities for a test or demonstration project for a new utility-owned and utility-operated generating facility or facilities utilizing energy derived from offshore wind with an aggregate capacity of not more than 16 megawatts are in the public interest. (Emphasis added.)” Also, according to SB 966, “[c]onstruction, purchasing, or leasing activities for a new utility-owned and utility-operated generating facility or facilities utilizing energy derived from sunlight or from wind with an aggregate capacity of 5,000 megawatts ... are in the public interest. (Emphasis added.) With this action, the SCC has the opportunity to implement the intent of these laws and ensure that the public’s interest in renewable energy is afforded to Virginia ratepayers.

Four years ago, the General Assembly declared in chapter 550 of the 2014 Acts of Assembly that “...planning and development activities for a new generating facility or facilities utilizing energy derived from offshore wind are in the public interest.” The same can be said today, as noted above.

Development of CVOW is also consistent with several other key goals stated in the Code of Virginia, from the Commonwealth’s Energy Objectives (§ 67-101) and Energy Policies (§ 67-102), including:

- Minimizing the Commonwealth's long-term exposure to volatility and increases in energy prices through greater energy independence;

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<sup>1</sup> MA issued a letter stating the 800 MW Vineyard Wind Project will provide the Commonwealth with energy and RECs at a total levelized price of 6.5 cents/kWh (2017 dollars) over the term of the long-term contracts. <sup>1</sup>  
<https://macleanenergy.files.wordpress.com/2018/08/doer-83c-filing-letter-dpu-18-76-18-77-18-78august-1-2018.pdf>

- Increasing Virginia's reliance on sources of energy that, compared to traditional energy resources, are less polluting of the Commonwealth's air and waters;
- Supporting research and development of, and promoting the use of, renewable energy sources;
- Ensuring that the combination of energy supplies and energy-saving systems are sufficient to support the demands of economic growth; and
- Promoting the generation of electricity through technologies that do not contribute to greenhouse gases and global warming.

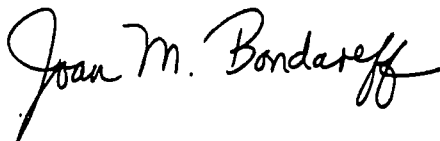
For these reasons, VOWDA respectfully requests the SCC approve Dominion's application for CVOW. It is in the public interest for the Commonwealth to take this first step to position Virginia as a leader in the offshore wind industry; to provide long-term benefits to ratepayers by making a prudent investment now; and to receive the economic development benefits that will result.

In conclusion, the SCC has the opportunity to help ensure CVOW is a success. The project is well prepared for final development and installation. Following five years of pre-construction studies, planning and data analysis, CVOW is about to receive final approvals from the Bureau of Ocean Energy Management of the U.S. Department of the Interior to proceed with permitting and construction with a target completion date of 2020.

We appreciate your consideration of these comments and the Authority's legislated role in promoting offshore wind for the benefit of all Virginians.

If you need any further information about the role VOWDA plays in promoting offshore wind, or the importance of the CVOW project, please contact me at 703.989.8011 or [Bondareff@eBlankRome.com](mailto:Bondareff@eBlankRome.com).

Sincerely,



Joan Bondareff  
Chair

cc: The Honorable Ralph Northam, Governor of Virginia  
The Honorable Brian Ball, Secretary of Commerce and Trade  
The Honorable Matthew Strickler, Secretary of Natural Resources  
Thomas F. Farrell, II, Chairman, President and Chief Executive Officer, Dominion Energy